

## **Minutes of the Finance Committee**

**Wednesday, April 6, 2011**

Chair Haukohl called the meeting to order at 8:30 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Bill Zaborowski, Pamela Meyer, and Jim Heinrich. Rob Hutton arrived at 8:58 a.m. **Absent:** Ted Rolfs and Dave Falstad.

**Also Present:** Chief of Staff Mark Mader, Infrastructure Administrator Al Mundt, Treasurer Pam Reeves, Budget Specialist Linda Witkowski, Budget Manager Keith Swartz, Senior Financial Analyst Vince Masterson, Register of Deeds Jim Behrend, Administration Director Norm Cummings, Senior Financial Analyst Linda Hein, Collections & Business Services Manager Sean Sander, Parks & Land Use Director Dale Shaver, and Enterprise Operations Manager Andy Thelke. Recorded by Legislative Associate Mary Pedersen.

### **Approve Minutes of 3-16-11**

MOTION: Heinrich moved, second by Zaborowski to approve the minutes of March 16. Haukohl, on behalf of Budget Specialist Linda Witkowski, asked that an amendment be made to the minutes on page 1 under Ordinance 165-O-107. Motion carried 4-0 as amended.

### **Schedule Next Meeting Dates**

- April 20

### **Announcements**

Haukohl announced the public hearing on the new tentative supervisory district plan will be held on April 18 at 8:30 a.m. prior to discussion by the Executive Committee. Mader indicated that all supervisors are authorized to attend this hearing and the meeting that follows. A revised district map will be made available prior to the hearing and a full explanation of the process will be sent via email. The new tentative district plan would be adopted via resolution and then sent to the municipalities for review.

### **Meeting Approvals**

MOTION: Zaborowski moved, second by Heinrich to approve attendance for those Finance Committee members wanting to attend the Health & Human Services Board's public hearing at the Expo Center on April 21 at 7:00 p.m. Motion carried 4-0.

### **Contract Procurement Process for End User Services (Desktop Support)**

Mundt advised the contract was awarded to Omni Resources, Inc., the highest rated proposer, for a total contract cost of \$1,196,049 for five years. A total of 19 vendors submitted RFP's for consideration. Haukohl said the \$1.196 million contract cost does not match the five-year total. Mundt said there are slight increases allowed each year for inflation, modest bonuses paid to the company if they successfully place people here, etc. He concurred with Haukohl that the five-year total will not exceed the five-year budgeted amounts.

MOTION: Heinrich moved, second by Zaborowski to approve the contract procurement process for end user services (desktop support). Motion carried 4-0.

### **Treasurer's Annual Report**

Reeves reviewed her report which included information on receipts and disbursements, 2009 rolls collected in 2010, tax deed properties sold in 2010, agricultural land-use conversions, parcel counts, tax levy collected per municipality, etc.

Hutton arrived at 8:58 a.m.

Mader advised of a calculation error on page 2 under total receipts. Later in the meeting, Reeves returned with corrected copies and explained the error.

MOTION: Meyer moved, second by Hutton to accept the Treasurer's 2010 annual report as amended. Motion carried 5-0.

### **Year-End Report on General Funds**

Swartz reviewed his report titled "2010 Year-End Budget Monitoring Summary Report – General Fund Operations." It was noted that departments managed to make significant reductions in their budgets in anticipation of a very difficult budget environment for 2011 and 2012. This is due to anticipated and historic budget deficits at the State and Federal levels that will result in significant revenue reductions which will impact County Services. Swartz discussed the General Fund as it relates to each department/agency.

The 2010 net positive impact to the General Fund balance was \$1.47 million at the end of 2010, mainly resulting from under budget spending and unused appropriated fund balance of \$2.3 million. Department expenditures were 3.7% under budget or nearly \$3.9 million of the \$104.4 million budget. This included anticipated expenditure reductions that occurred in the 2011 budget including 11.26 FTE positions that were unbudgeted. Revenues (non-tax levy) were underachieved by less than 1% or \$140,000 of the \$41.8 million budgeted.

A major operating expense reduction is from Public Works utility expenditures which were approximately \$400,000 below budget. Public Works staff indicated this was mainly due to mild winter temperatures, energy conservation measures which resulted in lower energy consumption, and the discount for the Point Beach plant sale (the discount is discontinued in 2011). Register of Deeds real estate transfer fee and document recording fee revenues were \$540,000 below budget due to the depressed real estate market. Treasurer revenues included interest and penalties on delinquent taxes above budget which helped offset investment income and agricultural conversion revenue shortfalls by nearly \$300,000.

MOTION: Heinrich moved, second by Meyer to accept the 2010 year-end report on General Funds. Motion carried 5-0.

### **Review Proposed State budget Fiscal Impact Comparison: State Estimates and Waukesha County Estimates**

Cummings referred to their handout and said a full analysis of the State budget and how it will impact the County will be completed soon. It is estimated that State Aid revenue cuts will total

about \$3,435,000 although Cummings believes total cuts could be closer to \$4.6 million. This includes \$1,275,000 for income maintenance; \$220,000 for transit operating assistance; \$131,000 for State Circuit Court Support Grant and Guardian Ad Litem; \$120,000 for child support; and \$1,300,000 for recycling programs. Savings from increased employee contributions into the pension fund and health insurance have been overstated by State officials and do not necessarily apply to Waukesha County. The net fiscal impact (2011-2013) to the County is estimated at -\$2,350,000.

Referring to Community Aids, Cummings advised we will not be able to reduce programmatic costs to fully cover State funding reductions. Even if the County eliminated one or two administrative staff in Income Maintenance we would still take a hit. He noted this is a great program, it works, and is one of our biggest concerns.

Cummings said because of our past budgeting practices, Waukesha County will likely be in the best shape compared to other counties when dealing with the State budget. However, it will be tough for us too.

#### **Year-End Report on Proprietary Funds**

Sander and Hein reviewed the County's various enterprise and internal service funds. Those funds that showed a net income at year-end 2010 were the Naga-Waukee Golf Course (\$277,129); Naga-Waukee Ice Arena (\$5,505); Eble Park Ice Arena (\$14,597); Materials Recycling (\$1,579,668); Vehicle/Equipment Replacement (\$235,392); Radio Services (\$79,398); Records Management (\$101,916); and Communications (\$8,760). Those funds that showed a net loss were the Wanaki Golf Course (-\$325,590); Moor Downs Golf Course (-\$146,004); Airport (-\$84,768); Central Fleet (-\$161,743); Risk Management/Workers Compensation (-\$520,443); Collections (-\$200,035) End User Technology (-\$380,973); and Health Insurance (-\$97,776).

Heinrich asked that brief written explanations be footnoted when there are major discrepancies between adopted budget and actual figures for the quarter, especially in the year-end report.

MOTION: Heinrich moved, second by Hutton to accept the 2010 year-end report on Proprietary Funds. Motion carried 5-0.

MOTION: Zaborowski moved, second by Hutton to adjourn at 11:35 a.m. Motion carried 5-0.

Respectfully submitted,

Pamela Meyer  
Secretary